

FISCAL ESTIMATE DOA-2048 (R 10/94) <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> CORRECTED </div> <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> <input type="checkbox"/> UPDATED <input type="checkbox"/> SUPPLEMENTAL </div>		LRB or Bill No. / Adm. Rule No. Ch. ATPC 106 Amendment No. (If Applicable)
Subject: Price gouging during an emergency.		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input type="checkbox"/> Increase Costs – May be possible to absorb within agency's budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local : <input checked="" type="checkbox"/> No local government costs 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		5. Types of Local Gov. Unit Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Counties <input type="checkbox"/> Cities <input type="checkbox"/> Other <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
Fund Source Affected: <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		Affected Ch. 20 Appropriations: 20.115(1)(a)
Assumptions Used in Arriving at Fiscal Estimate Summary of Rule This rule implements s. 100.305, Stats. (created by 2005 Wis. Act 450), which prohibits price gouging in sales of consumer goods or services during an emergency declared by the Governor. Section 100.305, Stats., prohibits sellers from selling "consumer goods or services" at wholesale or retail at "unreasonably excessive prices" if the Governor, by executive order, has certified that the state or a part of the state is in a "period of abnormal economic disruption" due to an emergency. An emergency may include, for example, a destructive act of nature, a disruption of energy supplies that poses a serious risk to the public health or welfare, a hostile action, or a strike or civil disorder. The statute requires DATCP to promulgate administrative rules to establish formulas or other standards to be used in determining whether a wholesale or retail price is unreasonably excessive. DATCP is also the agency primarily charged with enforcing this statute. Under Section 100.305, Stats. and this rule, a seller may not sell a consumer good or service in a declared emergency area during a declared emergency period at a price that is more than 10% above the highest price at which the seller sold like consumer goods or services to like customers in the relevant trade area during the 60-day period immediately preceding the emergency declaration. A seller may charge a higher price, however, if certain circumstances occur. For example, a seller is allowed to raise its price if its cost increases. Under this rule, DATCP may require a seller to submit written, documented answers to DATCP questions related to the seller's compliance with this rule. Impact of the Proposed Rule on State Government This rule is relevant only during periods when the Governor has declared that the state or part of the state is in a period of abnormal economic disruption due to an emergency. Therefore, any fiscal effect of enforcing this rule is limited to times when the declaration is in effect. We are unable to estimate an actual dollar amount because of the sporadic nature of the rule and the unpredictability of the size and scope of the emergency that would trigger action under the rule. While we believe it is likely that the rule will be used at some time, it is impossible to estimate how often the Governor might make a declaration, or for how long a given declaration might remain in effect. Obviously, if the rule goes into effect more often and / or remains in effect for longer periods, the fiscal impact will be higher. In addition, this rule and the underlying statute could conceivably require DATCP to actively regulate every business in the state that sells consumer products at either retail or wholesale. If this happened, the fiscal impact would be very high. However, we believe a more likely scenario would be an abnormal economic disruption in a certain sector or specific product, or a disruption in a localized area of the state. Obviously, this would result in a much smaller fiscal impact on the department. Due to the extremely wide variation in possible scenarios that would trigger action under this rule and the inability to predict how often those scenarios would occur, it is not possible to realistically predict the state fiscal impact of this rule. Impact of the Proposed Rule on Local Government This rule is not expected to have any impact on local governments.		
Agency/prepared by: (Name & Phone No.) DATCP		Authorized Signature/Telephone No. <div style="border-top: 1px solid black; width: 100%;"></div>
		Date

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